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STATE OF TEXAS
COUNTY OF HARRIS

BEFORE ME, the undersigned, a Notary Public in and for the aforesaid County and State and in the presence of the undersigned competent witnesses, personally came and appeared:

Fluor Ocean Services, Inc., a California Corporation, herein represented by
F S TUCK, its
President, duly authorized
(hereinafter called "Appearer"),

who declared that on July 20, 1977, Appearer executed a lease and, by separate instrument, an option to Chromalloy American Corporation, hereinafter called Lessee, which lease and option were extended by agreements dated December 22, 1978, and by agreements dated February 28, 1980, the term of the lease now extending to February 28, 1981 and the term of the option to March 1, 1981, which lease and option cover the property described on the attached exhibit.

Appearer is informed that Lessee desires to assign said lease and option to Delta Services Industries ("Delta"), a joint venture or partnership composed of Delta Services, Inc. and Granite Capital Corp., and that Delta and said corporations desire to execute a collateral mortgage and pledge of said lease and option, said mortgage to secure a note payable on demand to bearer in the principal amount of \$40,000,000.00 together with interest at the rate of 15% per annum, and 5% attorney's fees. Delta and its parent corporations intend to pledge said note to the First National Bank in St. Louis and an additional Bank. The said pledge will secure, inter alia, advances and future advances made to Delta or its parent corporations.

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Appearer hereby consents to the assignment of the lease and options to Delta or its parent corporations and to the mortgage and pledge of the lease and option and agrees that the lease and option may be recorded in their entirety.

In the event default shall be made by Delta or its parent corporations in the payment of any indebtedness due the bank or banks or in the event Delta or its parent corporations shall breach any of the terms, covenants, or conditions of any agreement, mortgage, deed of trust, or other contracts in favor of the bank or banks, then the bank or banks, their successors or assigns, may foreclose on said mortgage and cause the lease and option to be sold at foreclosure sale. Upon such sale the lease and option shall pass to and be vested in the purchaser at such sale, provided that neither the bank or banks nor any other purchaser at such sale of the lease option shall succeed to the rights of the Lessee, under said lease and option, unless and until such purchaser has agreed to assume all obligations of Lessee to Appearer under the lease and option as amended.

Prior to any termination of the lease as a result of a default under paragraph 12(A) thereof, Appearer agrees to give ten days written notice to the First National Bank in St. Louis at the address specified below and if, during said ten days, the banks agree to assume the obligations of Lessee under the lease, Appearer agrees to forego the option granted by said paragraph to terminate the lease.

Prior to any termination of the lease as a result of any other event of default under paragraph 12 thereof, Appearer agrees that it will give the First National Bank in St. Louis thirty days written notice. The notice shall specify the nature of any default under the terms of the lease, including

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Delta's failure to pay money, and shall state the action necessary to cure such default. During said thirty days, Appearer agrees to permit the banks to cure the same.

Prior to any termination of the option, Appearer agrees to send the First National Bank in St. Louis a copy of the notice required by Section 4.1 thereof and to give the bank or banks the right to cure any non-fulfillment of a condition set forth in Section 3.6 thereof.

The address of the First National Bank in St. Louis is 510 Locust Street, St. Louis, Missouri, 63101, Attention: Gardner R. Lloyd, Jr., Vice President.

The execution of this act shall in no wise relieve Chromalloy American Corporation of any obligations under the lease and option and is not, except as hereinabove provided, intended to be a consent to any assignment of the lease or option nor a waiver by Appearer of Section 13 of the lease or any other provision of the lease or option.

THUS DONE AND PASSED in my office in the County and State aforesaid in the presence of Joan M. Hunt and Leonard D. Jeffery, competent witnesses, who hereto sign their names with me, Notary, and said Appearer, on this 4th day of September, 1980.

WITNESSES:

FLUOR OCEAN SERVICES, INC.

By: F S Tuck

F S Tuck

Title: President

Beth Christian
 NOTARY PUBLIC
 State of Texas
 Notary Public for Tarrant County, Texas
 My Commission Expires November 16, 1980

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EXHIBIT "A"

The Premises consists of the following described land and the buildings and other improvements thereon:

A certain tract or parcel of land located in Section 1 and 15, Township 18 South, Range 17 East, Terrebonne Parish, Louisiana, containing 94.023 acres of land, more or less, and being more particularly described as follows:

Commencing at a point in the north line of said T 18 S. R 17 E, at the corner common to Sections 1 and 15, T 18 S. R 17 E;

Thence S 8° 54' 15" E. on and along the line between said Sections 1 and 15, a distance of 1,395.82 feet to a point having Louisiana Grid Coordinates of Y - 318,867.30 and X - 2,200,345.85, which point is also the place of beginning;

Thence N 81° 03' 50" E - 2,516.57 feet;

Thence S 8° 54' 15" E - 1,300.00 feet;

Thence S 81° 03' 50" W - 3,293.88 feet to the centerline of

Houma Navigation Canal Right of Way;

Thence N 8° 53' 33" E, on and along said centerline a distance of 404.43 feet;

Thence N 1° 18' 58" E, on and along said centerline a distance of 889.50 feet;

Thence N 0° 58' 37" W, on and along said centerline a distance of 33.43 feet;

Thence N 81° 03' 50" E - 513.13 feet to the place of beginning, which tract is delineated by the Letters "J", "C", "D", "G", "H", "I", on a plat of survey by Robert C. Reed, Civil Engineer dated April 21, 1970.

and

A certain tract or parcel of land located in Section 1, Township 18 South, Range 17 East, Terrebonne Parish, Louisiana, containing 35 acres of land, more or less, and being more particularly described as follows:

Commencing at a point in the north line of said T 18 S. R 17 E, at the corner common to Sections 1 and 15, T 18 S. R 17 E;

Thence S 8° 54' 15" E, on and along the line between said Sections 1 and 15, a distance of 1,395.82 feet to a point having Louisiana Grid Coordinates of Y - 318,867.30 and X - 2,200,345.85;

Thence N 81° 03' 50" E - 2,516.57 feet to the place of beginning;

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Thence N $81^{\circ} 03' 50''$ E - 1,273.29 feet;
Thence S $8^{\circ} 56' 10''$ E - 1,300.00 feet;
Thence S $81^{\circ} 03' 50''$ W - 1,273.29 feet;
Thence N $8^{\circ} 56' 10''$ W - 1,300.00 feet to the place of beginning,
which tract is delineated by the letters "J", "A", "B", "C",
"J", on a plat of survey by Robert G. Reed, Civil Engineer,
dated April 21, 1970.

All bearings are based on the Louisiana Coordinate System, South Zone.

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